Library and Archives Canada | Bibliothèque et Archives Canada

Future-Oriented Financial Statements of

LIBRARY AND ARCHIVES CANADA

For the years ending
March 31st, 2012 and March 31st, 2013

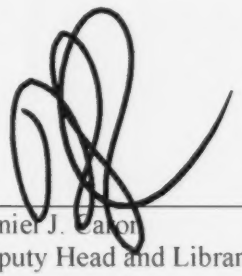
Canada

LIBRARY AND ARCHIVES CANADA

Statement of Management Responsibility

The management of Library and Archives Canada is responsible for these Future-oriented Financial Statements, including responsibility for the appropriateness of the assumptions on which these statements are prepared. These statements are based on the best information available and assumptions adopted in April 2012 and reflect the plans described in the Report on Plans and Priorities.

Mark Melanson, CGA
Chief Financial Officer
Gatineau, QC
April 26, 2012



Daniel J. Caron
Deputy Head and Librarian and Archivist
of Canada and
Chair, Heads of Federal Agencies
Gatineau, QC
April 29, 2012

LIBRARY AND ARCHIVES CANADA

Future-oriented Statement of Financial Position

As at March 31

(in thousands of dollars)

	Estimated Results 2012	Planned Results 2013
ASSETS		
Financial Assets		
Due from Consolidated Revenue Fund	$ 7,863	$ 7,715
Accounts receivable and advances (note 6)	400	340
Total Financial Assets	8,263	8,055
Non-Financial Assets		
Tangible capital assets (note 7)	39,789	57,642
Collections (note 8)	1	1
Total Non-Financial Assets	39,790	57,643
	$ 48,053	$ 65,698
LIABILITIES AND EQUITY OF CANADA		
Liabilities		
Accounts payable and accrued liabilities (note 9)	$ 6,985	$ 6,885
Vacation pay and compensatory leave	3,545	3,420
Deferred revenue (note 10)	956	908
Employee severance benefits (note 11)	10,779	7,579
	22,265	18,792
Equity of Canada	25,788	46,906
	$ 48,053	$ 65,698

Information for the year ended March 31, 2012 includes actual amounts from April 1, 2011 to February 29, 2012.

The accompanying notes form an integral part of these future-oriented financial statements.

LIBRARY AND ARCHIVES CANADA

Future-oriented Statement of Operations
For the Year Ending March 31
(in thousands of dollars)

	Estimated Results 2012	Planned Results 2013
Expenses		
Regulatory Instruments and Recordkeeping Tools	$ 3,108	$ 3,547
Collaboration in Managing Government Records	22,240	20,631
Documentation of the Canadian Experience	15,271	19,451
Preservation of Continuing Memory	37,578	38,946
Exploration of the Documentary Resources	41,941	40,920
Internal Services	35,810	32,478
Total expenses	155,948	155,973
Revenues		
Facilitate discovery of documentary resources	329	334
Internal Services	149	119
Total revenues	478	453
Net cost from continuing operations	155,470	155,520
Transferred Operations		
Expenses	2,937	-
Net cost of transferred operations	2,937	-
Net cost of operations	$ 158,407	$ 155,520

Information for the year ended March 31, 2012 includes actual amounts from April 1, 2011 to February 29, 2012.
Segmented information (note 13)
The accompanying notes form an integral part of these future-oriented statements

LIBRARY AND ARCHIVES CANADA

Future-oriented Statement of Equity of Canada

For the Year Ending March 31

(in thousands of dollars)

	Estimated Results 2012	Planned Results 2013
Equity of Canada, beginning of year	$ 21,282	$ 25,788
Net cost of operations	(158,407)	(155,520)
Net cash provided by Government	112,663	124,832
Change in due to/from the Consolidated Revenue Fund	(424)	(148)
Services provided without charge by other government departments (note 12)	51,714	51,954
Transfer of assets and liabilities to other government department (note 14)	(1,040)	-
Equity of Canada, end of year	$ 25,788	$ 46,906

Information for the year ended March 31, 2012 includes actual amounts from April 1, 2011 to February 29, 2012.

The accompanying notes form an integral part of these future-oriented financial statements

LIBRARY AND ARCHIVES CANADA

Future-oriented Statement of Cash Flow
For the Year Ending March 31
(in thousands of dollars)

	Estimated Results 2012	Planned Results 2013
Operating activities		
Net cost of operations	$ 158,407	$ 155,520
Non-cash items:		
Amortization of tangible capital assets	(3,784)	(4,125)
Gain (Loss) on disposal of tangible capital assets	(123)	-
Services provided without charge other government departments (note 12)	(51,714)	(51,954)
Variations in Future-oriented Statement of Financial Position:		
Increase (decrease) in accounts receivable and advances	3	(60)
Decrease (increase) in liabilities	6,599	3,473
Transfer of liabilities to other government departments (note 14)	(603)	-
Cash used in operating activities	108,785	102,854
Capital investing activities:		
Acquisitions of tangible capital assets	3,878	21,978
Cash used in capital investing activities	3,878	21,978
Net cash provided by Government of Canada	$ 112,663	$ 124,832

Information for the year ended March 31, 2012 includes actual amounts from April 1, 2011 to February 29, 2012.
The accompanying notes form an integral part of these future-oriented financial statements.

LIBRARY AND ARCHIVES CANADA

Notes to the Future-oriented Financial Statements
For the Year Ended March 31

1. Mandate and Objectives

Library and Archives Canada is an institution within the Government of Canada and was established on May 24, 2004 as a result of the amalgamation of the former National Library of Canada and National Archives of Canada. Library and Archives Canada's role was confirmed in the 2004 Library and Archives of Canada Act. The Act assigns discretionary power to the Librarian and Archivist of Canada in the attainment of Library and Archives Canada's objects. Under the Act, no record under the control of a government or ministerial institution may be destroyed prior to receiving consent from the Librarian and Archivist of Canada and those records considered to be of historic or archival importance to the Librarian and Archivist of Canada, shall be transferred to the care and control of the Librarian and Archivist of Canada.

Library and Archives Canada is considered a Schedule I.1 organization within the Financial Administration Act and reports to Parliament through the Minister of Canadian Heritage.

The mandate of Library and Archives Canada is to preserve the documentary heritage of Canada for the benefit of present and future generations; to serve as a source of enduring knowledge accessible to all, contributing to the cultural, social and economic advancement of Canada as a free and democratic society; to facilitate in Canada cooperation among the communities involved in the acquisition, preservation and diffusion of knowledge; and to serve as the continuing memory of the Government of Canada and its institutions.

2. Methodology and significant assumptions

The future-oriented financial statements have been prepared on the basis of the government priorities and the plans of Library and Archives Canada as described in the Report on Plans and Priorities.

The main assumptions are as follows:

(a) The main activities will remain substantially the same as for the previous year.
(b) Expenses and revenues, including the determination of amounts from internal and external sources to the government, are based on historical experience. The general historical pattern is expected to continue.
(c) Allowances for uncollectibility are based on historical experience. The general historical pattern is expected to continue.
(d) Estimated year end information for 2011-2012 is used as the opening position for the 2012-2013 forecasts.

These assumptions are adopted as at April 5th, 2012.

3. Variations and Changes to the Forecast Financial Information

While every attempt has been made to accurately forecast final results for the remainder of 2011-2012 and for 2012-2013, actual results achieved for both years are likely to vary from the forecast information presented, and this variation could be material.

In preparing these financial statements, Library and Archives Canada has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Factors that could lead to material differences between the future-oriented financial statements and the historical financial statements include:

(a) The timing and amounts of acquisitions and disposals of property and equipment may affect gains/losses and amortization expense.
(b) Implementation of new collective agreements.
(c) Economic conditions may affect both the amount of revenue earned and the collectability of accounts receivables.
(d) Further changes to the operating budget through additional new initiatives or technical adjustments later in the year.

Since the preparation of the condensed financial statements included in the Report on Plan and Priorities, the estimates related to the transfer of activities to Shared Services Canada have been revised. The revised estimates were used in preparing these future-oriented financial statements which therefore differ from the condensed financial statements. Once the Report on Plans and Priorities is presented, Library and Archives Canada will not be updating the forecasts for any changes to appropriations or forecast financial information made in ensuing supplementary estimates. Variances will be explained in the Departmental Performance Report.

4. Summary of Significant Accounting Policies

The future-oriented financial information has been prepared in accordance with the Treasury Board accounting policies in effect for the 2011-2012 fiscal year. These accounting policies, stated below, are based on Canadian generally accepted accounting principles for the public sector. The presentation and results using the stated accounting policies do not result in any significant differences from Canadian generally accepted accounting principles.

Significant accounting policies are as follows:

(a) Parliamentary authorities – Library and Archives Canada is financed by the Government of Canada through Parliamentary authorities. Financial reporting of authorities provided to Library and Archives Canada do not parallel financial reporting according to generally accepted accounting principles since authorities are primarily based on cash flow requirements. Consequently, items recognized in the Statement of Operations and the Statement of Financial Position are not necessarily the same as those provided through authorities from Parliament. Note 5 provides a reconciliation between the bases of reporting.

LIBRARY AND ARCHIVES CANADA

Notes to the Future-oriented Financial Statements
For the Year Ended March 31

(b) Net Cash Provided by Government – Library and Archives Canada operates within the Consolidated Revenue Fund (CRF), which is administered by the Receiver General for Canada. All cash received by Library and Archives Canada is deposited to the CRF and all cash disbursements made by Library and Archives Canada are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the Government.

(c) Amounts due from/to the CRF – Amounts due from/to the CRF are the result of timing differences at year-end between when a transaction affects authorities and when it is processed through the CRF. Amounts due from the CRF represent the net amount of cash that Library and Archives Canada is entitled to draw from the CRF without further parliamentary expenditure authorities to discharge its liabilities.

(d) Revenues are recorded on an accrual basis:

- Sales of goods and information products are revenues from regulatory fees and are recognized in the accounts based on the services provided in the year.
- Funds received from external parties for specified purposes are recorded upon receipt as deferred revenues. These revenues are recognized in the period in which the related expenses are incurred.
- Other revenues are accounted for in the period in which the underlying transaction or event occurred that gave rise to the revenue.

(e) Expenses – are recorded on an accrual basis:

- Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the future-oriented financial statements.
- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement, provided that the transfer is authorized and a reasonable estimate can be made.
- Vacation pay and compensatory leave are accrued as the benefits are earned by employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation, employer contributions to the health and dental insurance plans and workers' compensation are recorded as operating expenses at their estimated cost.

(f) Employee future benefits

- **Pension benefits:** Eligible employees participate in the Public Service Pension Plan, a multiemployer pension plan administered by the Government. Library and Archives Canada's contributions to the Plan are charged to expenses in the year incurred and represent the total of Library and Archives Canada obligation to the Plan. Current legislation does not require Library and Archives Canada to make contributions for any actuarial deficiencies of the Plan.

- **Severance benefits:** Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivables and advances

Accounts receivables and advances are stated at the lower of cost and net recoverable value; a valuation allowance is recorded for receivables where recovery is considered uncertain.

(h) Contingent liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the future-oriented financial statements.

(i) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $10,000 or more are recorded at their acquisition cost. Library and Archives Canada does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Buildings	40 years
Machinery and equipment	5-15 years
Computer hardware	3-10 years
Computer software	2-7 years
Other equipment, including furniture	5-10 years
Vehicles	3-15 years
Leasehold improvements	Lesser of the remaining term of lease or useful life of the improvement

Assets under construction and software under development are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

(j) Collections

The collections of Library and Archives Canada are presented on the Statement of Financial Position at a nominal value of $1,000. Items purchased for the collections are recorded as an expense in the year of acquisition. Items collected from the Federal government are not recorded on the Statement of Financial Position.

LIBRARY AND ARCHIVES CANADA

Notes to the Future-oriented Financial Statements
For the Year Ended March 31

5. Parliamentary Appropriations

Library and Archives Canada receives most of its funding through expenditure authorities provided by Parliament. Items recognized in the Future-oriented Statements of operations and Financial Position in one year may be funded through Parliamentary authorities in prior, current or future years. Accordingly, the Library and Archives Canada has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Authorities requested	**Estimated Results 2012**	**Planned Results 2013**
	(in thousands of dollars)	
Authorities requested		
Vote 50	102,175	94,240
Vote 55	10,350	19,353
Statutory amounts	12,889	11,291
Forecast authorities available	$ 125,414	$ 124,884

(b) Reconciliation of net cost of operations to requested authorities:	**Estimated Results 2012**	**Planned Results 2013**
	(in thousands of dollars)	
Net cost of operations	$ 158,407	$ 155,520
Adjustments for items affecting net cost of operations but not affecting authorities:		
Add (Less):		
Services provided without charge by other government departments	(51,714)	(51,954)
Amortization of tangible capital assets	(3,784)	(4,125)
Decrease in employee future benefits	5,300	3,200
Decrease in vacation pay and compensatory leave	275	125
Refunds of previous years' expenditures	40	15
Revenue not available for spending	116	125
Loss on disposal and write-down of tangible capital assets	(123)	-
	(49,890)	(52,614)
Adjustments for items not affecting net cost of operations but affecting authorities:		
Add: Acquisitions of tangible capital assets	3,878	21,978
Forecast current year lapse (eg. Operating, Frozen allotments)	13,019	-
Forecast authorities available	$ 125,414	$ 124,884

LIBRARY AND ARCHIVES CANADA

Notes to the Future-oriented Financial Statements
For the Year Ended March 31

6. Accounts receivable and advances

The following table presents details of Library and Archives Canada's accounts receivable and advances balances:

	Estimated Results 2012	Planned Results 2013
	(in thousands of dollars)	
Receivables from other government departments and agencies	$ 282	$ 278
Receivables from external parties	111	55
Employee advances	7	7
	$ 400	$ 340

7. Tangible Capital Assets

Cost *(in thousands of dollars)*	Opening Balance	Acquisitions	Reclassification and transfers	Disposals and write-offs	Closing Balance
Buildings	8,001	-	-	-	8,001
Machinery and equipment	986	250	-	-	1,236
Computer hardware	6,502	115	-	-	6,617
Computer software	25,343	125	2,125	-	27,593
Other equipment	31,233	5,775	-	-	37,008
Vehicles	531	-	-	-	531
Leasehold improvements	2,055	-	-	-	2,055
Leasehold improvements in progress of construction	1,222	13,853	-	-	15,075
Software under development	618	1,860	(2,125)	-	353
	$ 76,491	$ 21,978	$ -	$ -	$ 98,469

Accumulated amortization *(in thousands of dollars)*	Opening Balance	Amortization	Reclassification and transfers	Disposals and write-offs	Closing Balance
Buildings	233	200	-	-	433
Machinery and equipment	714	35	-	-	749
Computer hardware	5,708	515	-	-	6,223
Computer software	11,082	2,020	-	-	13,102
Other equipment	18,209	985	-	-	19,194
Vehicles	462	45	-	-	507
Leasehold improvements	294	325	-	-	619
	$ 36,702	$ 4,125	$ -	$ -	$ 40,827

7. Tangible capital assets (cont'd)

Net book value

(in thousands of dollars)	2012	2013
Buildings	7,768	7,568
Machinery and equipment	272	487
Computer hardware	794	394
Computer software	14,261	14,491
Other equipment	13,024	17,814
Vehicles	69	24
Leasehold improvements	1,761	1,436
Leasehold improvements in progress of construction	1,222	15,075
Software under development	618	353
	$ 39,789	$ 57,642

Reclassification and transfers of assets under construction represent assets that are put into use in the year and transferred to other capital asset classes as applicable.

8. Collections

Library and Archives Canada preserves the collective memory of the nation and of the Government of Canada and contributes to the protection of rights and the enhancement of a sense of national identity.

While the nominal valuation attributed to the collection in these Financial Statements is aligned with Canadian Public Sector reporting standards, this is not representative of the historical or market value of the collection. Although not capitalized like other assets such as buildings or equipment, these irreplaceable treasures have inestimable legal, evidentiary, cultural and, indeed, monetary value for Canadians now and for generations to come. These include documentary material transferred at no charge from government departments, publications received through Legal Deposit, materials purchased and donated materials for which receipts for tax purposes may have been issued.

9. Accounts payable and accrued liabilities

The following table presents details of the Library and Archives Canada's accounts payable and accrued liabilities:

	Estimated Results 2012	Planned Results 2013
	(in thousands of dollars)	
Accounts payable to other government departments and agencies	$ 1,185	$ 1,134
Accounts payable to external parties	5,428	5,382
	6,613	6,516
Accrued liabilities	372	369
	$ 6,985	$ 6,885

10. Deferred revenue

Deferred revenue represents the balance at year-end of unearned revenues stemming from amounts received from external parties which are restricted to fund the expenditures related to specific projects and amounts received for fees prior to services being performed. Revenue is recognized in the period that these expenditures are incurred or the service is performed. Details of the transactions related to this account are as follows:

	Estimated Results 2012	Planned Results 2013
	(in thousands of dollars)	
Opening balance	$ 484	$ 956
Amounts expected to be received	754	543
Revenue recognized	(282)	(591)
Closing balance	$ 956	$ 908

11. Employee Benefits

- **Pension benefits:** The department's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Québec Pension Plans benefits and they are indexed to inflation.

  Both the employees and the department contribute to the cost of the Plan. The forecast expenses are $9,070,808 in 2011-2012 and $8,958,425 in 2012-2013, representing approximately 1.8 times the contributions of employees.

  The department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

- **Severance benefits:** The department provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, estimated as at the date of these statements, is as follows:

	Estimated Results 2012	Planned Results 2013
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	$ 16,539	$ 10,779
Transferred to other government department effective November 15, 2011 (note 14)	(461)	-
	16,078	10,779
Expense for the year	1,969	1,100
Benefits paid during the year	(7,268)	(4,300)
Accrued benefit obligation, end of year	$ 10,779	$ 7,579

LIBRARY AND ARCHIVES CANADA

Notes to the Future-oriented Financial Statements
For the Year Ended March 31

12. Related party transactions

Library and Archives Canada is related as a result of common ownership to all Government departments, agencies, and Crown corporations. Library and Archives Canada enters into transactions with these entities in the normal course of business and on normal trade terms. In addition, during the year, Library and Archives Canada received common services which were obtained without charge from other Government departments as disclosed below.

a) Services provided without charge to Library and Archives Canada:
During the year Library and Archives Canada received services without charge from certain common service organizations, related to accommodation, the employer's contribution to the health and dental insurance plans and workers' compensation coverage. These services provided without charge have been recorded in Library and Archives Canada's Statement of Operations as follows:

	Estimated Results 2012	Planned Results 2013
	(in thousands of dollars)	
Accommodation	$ 45,121	$ 45,737
Employer's contribution to the health and dental insurance plans	6,581	6,205
Workers' compensation	12	12
	$ 51,714	$ 51,954

The Government has centralized some of its administrative activities for efficiency, cost-effectiveness purposes and economic delivery of programs to the public. As a result, the Government uses central agencies and common service organizations so that one department performs services for all other departments and agencies without charge. The costs of these services, such as the payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General are not included in Library and Archives Canada Future-oriented Statement of Operations. Similarly, Library and Archives Canada manages records in all media on behalf of more than 90 federal government organizations across the country.

b) Administration of programs on behalf of other government departments
Since September 2011, Library and Archives Canada coordinates and manages funds on behalf of the networks of small federal agencies. At the date of these future-oriented financial statements, Library and Archives Canada plans to incur expenses of $369,000 on behalf of the network. Forecast and incurred expenses are reflected in the future-oriented financial statements of the members of the network and not on those of Library and Archives Canada.

c) Other transactions with related parties:

	Estimated Results 2012	Planned Results 2013
	(in thousands of dollars)	
Expenses - Other Government departments and agencies	$ 14,446	$ 13,564
Revenues - Other Government departments and agencies	41	42

13. Segmented information

Presentation by segment is based on Library and Archives Canada program activity architecture. The presentation by segment is based on the same accounting policies as described in the Summary of significant accounting policies in note 4. The following table presents the forecasted expenses incurred and forecasted revenues generated for the main program activities, by major object of expenses and by major type of revenues. The segment results for the period are as follows:

	2012	2013						
		(in thousands of dollars)						
	Total	Regulatory Instruments and Recordkeeping Tools	Collaboration in Managing Government Records	Documentation of the Canadian Experience	Preservation of Continuing Memory	Exploration of the Documentary Resources	Internal Services	Total
Transfer payments to non-profit organizations	$ 1,777					1,748		$ 1,748
Operating expenses								
Salary and employee benefits	88,703	2,631	4,465	14,508	13,806	31,799	22,096	89,305
Accommodation	45,121	557	15,037	2,697	20,878	4,290	2,278	45,737
Professional and special services	7,849	315	539	1,150	816	819	3,110	6,749
Amortization of tangible capital assets (note 5)	3,331		125	121	1,684	1,526	669	4,125
Rental costs	2,368		36	120	102	121	1,490	1,869
Utilities, materials and supplies	1,569		189	470	513	160	254	1,586
Acquisition of machinery and equipment	1,219	9	24	86	360	102	929	1,510
Repair and maintenance	1,343		22		679	20	646	1,367
Communication services	1,425		29	52	22	157	643	903
Travel	862	32	130	247	86	124	209	828
Other	381	3	35			54	154	246
	154,171	3,547	20,631	19,451	38,946	39,172	32,478	154,225
Total expenses	155,948	3,547	20,631	19,451	38,946	40,920	32,478	155,973
Revenues								
Sales of goods and information products	310					315		315
Gain on disposal of non-capital assets	130						100	100
Other	38					19	19	38
Total revenues	478					334	119	453
Net cost from continuing operations	$ 155,470	3,547	20,631	19,451	38,946	40,586	32,359	$ 155,520

LIBRARY AND ARCHIVES CANADA

Notes to the Future-oriented Financial Statements
For the Year Ended March 31

14. Transfers to other government departments

Effective November 15, 2011, Library and Archives Canada transferred responsibility for its Email, Data Centre and Network Services to Shared Services Canada in accordance with Order-in-Council 2011-1297, including the stewardship responsibility for the assets and liabilities related to these services. Accordingly, Library and Archives Canada transferred the following assets and liabilities to Shared Services Canada on November 15, 2011:

Assets :	
Tangible capital assets (net book value)	$ 1,643
Liabilities :	
Vacation pay and compensatory leave	142
Employee future benefits (note 11)	461
	603
Adjustment to Equity of Canada	$ 1,040

The comparative figures for 2011-2012 have been reclassified on the Future-oriented Statement of Operations to present the expenses of the transferred operations.

Furthermore, during the transition period ending March 31st 2012, Library and Archives Canada continued to administer the transferred activities on behalf of Shared Services Canada. The administered expenses of $1,805,099 for 2011-2012 are not recorded in these future-oriented financial statements.